

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05 H-01
INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15
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TO SECSTATE WASHDC 8102
INFO AMEMBASSY BONN
AMEMBASSY MADRID
AMEMBASSY PARIS
AMEMBASSY RABAT
AMEMBASSY ROME
AMEMBASSY TRIPOLI
AMEMBASSY TUNIS
USCINCEUR VAIHINGEN GERMANY

C O N F I D E N T I A L ALGIERS 0642

CINCEUR FOR POLAD

E. O. 11652: GDS
TAGS: ENRG, AG, US
SUBJ: LNG-I INAUGURATION CEREMONIES

REF: ALGIERS 0627

1. SUMMARY. LNG-I INAUGURATION CEREMONIES TOOK PLACE BEFORE GROUP OF INTERNATIONAL GUESTS, LARGEST CONTINGENT OF WHICH WAS AMERICAN BUSINESSMEN. BOUMEDIENE MADE SPECIAL EFFORTS TO CULTIVATE AMERICANS IN BOTH TREATMENT AT CEREMONIES AND INFORMAL PRIVATE AUDIENCE.

2. THE INAUGURATION CEREMONIES FOR LNG-I AT ARZEW WERE HELD ON 21 FEBRUARY. THEY BEGAN FOUR HOURS LATE BECAUSE OF THE DELAY IN PARIS
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OF THE PAN AM CHARTER FLIGHT CARRYING THE GROUP OF ABOUT FIFTY AMERICAN EXECUTIVES REPRESENTING THE PETROLEUM INDUSTRY, CONSTRUCTION AND BANKING. ALSO INCLUDED ON THIS FLIGHT WAS MONTANA GOVERNOR THOMAS JUDGE AND TWO AIDES. THE MONTANA GROUP WAS HERE TO PARTICIPATE IN NEGOTIATIONS FOR SALE OF WHEAT TO ALGERIA.

3. AN AIR ALGERIA CHARTER BROUGHT A SIMILAR GROUP OF EUROPEAN AND

JAPANESE BUSINESSMEN FROM PARIS ON SCHEDULE. THE ITALIANS INCLUDED REPRESENTATIVES OF ENI, THE SPANISH INCLUDED ENAGAS AND CAMPSA, THE GERMANS INCLUDED RUHRGAS, THE FRENCH INCLUDED SOMEONE LISTED AS F. GISCARD D'ESTAING HEAD OF BFCE. GROUP ALSO INCLUDED AN ASSORTMENT OF EUROPEAN BANKERS.

4. THE MAJOR WESTERN AND EASTERN BLOC WIRE SERVICES WERE PRESENT AS WAS A CORRESPONDENT FROM BUSINESSWEEK. THE DELEGATION OF ALGERIANS ACCOMPANYING THE PRESIDENT INCLUDED THE MINISTERS OF FINANCE, HYDRAULICS, ENERGY, TRANSPORTATION AND HOUSING AND CONSTRUCTION. ALSO PRESENT AT PRESIDENT'S SIDE WAS COLONEL CHADLI, COMMANDER OF ORAN MILITARY REGION AND MEMBER OF COUNCIL OF THE REVOLUTION.

5. THE PROGRAM OF THE DAY WAS AS FOLLOWS:

- BUS TOUR OF LNG-I INSTALLATION
- INAUGURATION CEREMONY WITH SPEECHES BY PRESIDENT AND ENERGY MINISTER
- LAVISH LUNCH FOR ABOUT FOUR HUNDRED GUESTS
- BUS TOUR OF ARZEW INDUSTRIAL ZONE
- AUDIENCES WITH PRESIDENT FOR SELECTED GUESTS

6. OBVIOUS EFFORTS WERE MADE TO EXTEND SPECIAL COURTESIES TO THE AMERICAN GUESTS. EXAMPLES OF SUCH EFFORTS WERE:

- ENERGY MINISTER GHOZALI MADE HIS TWENTY-MINUTE INAUGURAL ADDRESS IN ENGLISH (SEE SEPTTEL) ALTHOUGH CROWD OF SEVERAL CONFIDENTIAL

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THOUSAND ALGERIAN WORKERS FROM INDUSTRIAL ZONE UNABLE TO UNDERSTAND (SPEECH WAS REPRODUCED IN ITS ENTIRETY IN GOVERNMENT-CONTROLLED FRENCH LANGUAGE NEWSPAPER).

- PRESIDENT HIMSELF ASKED AIDE TO PULL ME OUT OF STANDS TO SIT BEHIND HIM IN SPECIAL AREA RESERVED FOR ALGERIAN MINISTERS AND OFFICIALS. I WAS ONLY NON-ALGERIAN IN RESERVED AREA.

- AT LUNCHEON, PRESIDENT SENT AIDE TO INVITE EX-IM BANK PRESIDENT JOHN MOORE TO SHARE PRESIDENT'S "MECHOUT" (WHOLE BAKED LAMB).

- PRESIDENT DEVOTED ONE HOUR TO INFORMAL DISCUSSION WITH ABOUT THIRTY KEY AMERICAN BUSINESSMEN, AS COMPARED TO THEN TO FIFTEEN MINUTES WITH OTHER NATIONAL GROUPS.

- ENGLISH-LANGUAGE COPIES OF THE TEXT OF THE PRESIDENT'S INAUGURAL SPEECH (DELIVERED IN ARABIC) WERE DISTRIBUTED TO THOSE WHO WISHED THEM (REFTEL).

7. IN HIS HOUR-LONG MEETING WITH THE AMERICAN BUSINESSMEN, THE PRESIDENT WAS RELAXED AND JOKING. HE SET OUT TO CHARM THE ASSEMBLED GROUP AND SUCCEEDED. SEATED AT HIS SIDE FOR SPECIAL ATTENTION WAS M. HOWARD BOYD, PRESIDENT OF EL PASO. HE ALSO RECOGNIZED AND SINGLED OUT FORMER TREASURY SECRETARY GEORGE SCHULTZ (NOW BECHTEL PRESIDENT) FOR SPECIAL ATTENTION. ALSO PRESENT AT THIS MEETING WERE THE FIVE

ALGERIAN MINISTERS ATTENDING THE INAUGURATION, AS WELL AS ALGERIAN AMBASSADOR MAOUT AND ME.

8. IN COURSE OF DISCUSSION, PRESIDENT MADE FOLLOWING POINTS:

- INAUGURATION OF LNG-I GIVES THE LIE TO THOSE WHO SAID THE ALGERIANS COULD NOT DO IT, AS WELL AS TO THOSE, "LIKE THE FRENCH", WHO ACTIVELY WORKED AGAINST THE PROJECT.
 - REALIZATION OF LNG-I LINKS ALGERIA AND U.S. TOGETHER IN A COMMON CAUSE FOR NEXT QUARTER OF A CENTURY.
 - EXPRESSED HOPE (VOCIFEROUSLY SHARED BY GAS INDUSTRY REPS) THAT OUTSTANDING LNG CONTRACTS WOULD BE APPROVED BY USG SOON.
 - DESCRIBED IN DETAIL KINDS OF DEVELOPMENT PROJECTS GOA HOPES TO ACHIEVE WITH REVENUE FROM LNG.
 - STATED AWARENESS THAT ALGERIA WAS NOT WELL-LIKED BY SOME
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IN U.S. "BECAUSE OF ITS INDEPENDENT POLICIES". (I POINTED OUT PRESENCE OF AMERICAN BUSINESSMEN IN ROOM INDICATED ALGERIA HAD MANY FRIENDS IN U.S. AS WELL.)

9. COMMENT. PRESIDENT BOUMEDIENE OBVIOUSLY CONSIDERS THE COMPLETION OF LNG-I AN IMPORTANT STEP TOWARD FINANCING ALGERIA'S DEVELOPMENT PLANS. HIS TREATMENT OF HIS AMERICAN GUESTS IS YET ANOTHER INDICATION THAT HE HAS EMBARKED ON A CONSCIOUS PUBLIC RELATIONS CAMPAIGN TO MINIMIZE OUR DIFFERENCES. HE SHOWED GREAT PRIDE IN AND AFFECTION FOR ENERGY MINISTER/SONATRACH PRESIDENT GHOZALI AND SONATRACH VICE PRESIDENT AIR LAOUSSINE (WHO DID EXCELLENT JOB AS HIS INTERPRETER ARABIC/FRENCH/ENGLISH WITH THE AMERICAN VISITORS).

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